

Using Marketing to Build Success: Making Cooperative Ownership and Governance Real

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What does it mean to be an owner of a consumer cooperative? At the most fundamental level, cooperative ownership means that we are in business together. And for the owners of a cooperative that is under substantial market pressure (and what business isn't?), everything the business does needs to match the needs and aspirations of the community that the co-op is serving.

For our cooperative enterprises to survive and thrive, co-op owners and the board members who represent them can't be naive about the realities of being in business together. We need to take a critical look through that lens at everything the co-op does.

We often talk about “the cooperative difference”—but how well are we doing when it comes to putting the principles of cooperation into practice throughout our business? To help in that direction, we thought hard about how the principles of cooperative ownership and governance could be leveraged by marketing staff to directly improve the co-op's bottom line.

Communicating value and values

Co-op marketing is about communicating value as well as values to customers, owners, staff, and community and business partners. In a cooperative, the needs and aspirations of its owners connect directly to the value that they seek to derive from it. The point of owning something is that it has value. The actual value of the co-op is in its owners—in meeting their needs and aspirations.

As Brett Fairbairn explains in “Three Strategic Concepts for the Guidance of Cooperatives,” co-ops “pursue an integrated approach, in which social goals are accomplished through economic activities, and in which the membership of the cooperative is the place where social and economic functions come together.” To be a successful business, it's critical that the co-op speak to the values that its owners are seeking.

The board of directors has a pivotal though necessarily indirect role in the marketing strategy of a retail food co-op. The board is responsible for articulating the cooperative's purpose. Boards are most successful at this when they engage actively with the co-op's owners about their needs and aspirations. All strategic



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Communication is key: Viroqua Food Co-op in Viroqua, Wis. uses a display in the store to update member-owners about all aspects of their current expansion project.

thinking and action within the co-op flows from the words that are used to define those desired results. And it is marketing that connects those organizational purposes to every aspect of the cooperative's activity. Following are some examples:

Promotional plan

A marketing team might develop a promotional planner for the team and institute a pattern of holding weekly meetings, so that the team prepares for campaigns and promotions well in advance. The promotional plan is based on the annual marketing plan, which has taken into account the board's statement of organizational purposes, as well as Co-op and other trade materials, the holiday calendar, and the capacity of the department

teams. The promotional plan allows the marketing department to put together a plan for championing the co-op's business. Often, to ensure the nimbleness of the strategic work that the promotions department implements, the general manager relinquishes control to empower the promotions team.

Donations strategy

Marketing can also develop a donations strategy—one that is filtered through the co-op's Ends statement, rather than being an automated service for member pet projects that result in mission creep and a waste of brand awareness. A great marketing director knows all too well that fuzzy lines and hodge-podge processes make strategic leadership difficult. And strategy is everything in marketing.

Democratic workplace communication

Involving more people in decision-making through increased communication has become more of a cultural expectation as millennials ascend to leadership roles in the workforce. Including directors on staff payroll newsletters can help lessen the gap between the two roles at the co-op.

Getting the board invested in the marketing plan by way of a formalized process to connect them to owners is a great way of demonstrating democracy in action. A written board communication plan that is tied to the marketing plan allows the board to use the tools the marketing team has at its disposal to elevate the level of transparency (and trust) in dialogue with owners.

Capital campaigns

Capital campaigns increase the sense and awareness that we own a business together. A board's decision to raise money for the benefit of the co-op, whether it be for growth or strength, requires thoughtful persistent we're-all-in-this-together communications. It's imperative that a board sow the seeds of great communication with owners well before a capital campaign begins, for example, to convey that the democratic process is forthright. A board ought to consider keeping lines of communication open via multiple platforms throughout the year, by way of social media, articles, town halls, or simply cutting cake in the store. All of these demonstrate that your board is comprised of real human beings who shop at the co-op too—just like other owners!

Engaged leadership

The board establishes leadership when it develops a strong statement of organizational goals and objectives based on the needs of its owners. To bring those expectations into reality, a general manager empowers team leaders and others to plan and execute the necessary tasks. When those leaders work from a sense of shared purpose, or stewardship, the quality of the results can exceed expectations.

Working to create that sense of stewardship is an essential element of creating a strong culture of ownership and accountability. To be effective, leaders should model that culture by providing clear expectations: who is responsible for what and by when. Having meetings on time, being consistent with discipline and praise, and giving great customer service are crucial to building great crews—and a successful business.

Empowerment and accountability

Accountability can flow powerfully from a shared sense of the co-op's purpose. Marketing departments are dependent on other staff in the store to deploy the marketing plans. Marketing departments can create the marketing plan, but if the deli clerk doesn't put up the sign or promote the free turkey sandwich at the counter, the effort is lost.

Marketers know that they can't hold on to the reins so tightly that no one wants to work with them, so they need to empower those around them by encouraging them to bring forward ideas and communicate their needs. When there is a strong shared sense of ownership throughout the store, this communication is strengthened and simplified.

A final thought on accountability: perhaps co-ops should consider requiring board members to actually be shoppers who utilize their co-op. Shouldn't they be an active part of the cooperative community they serve in order to represent that community's needs and aspirations?

Solid systems and strong teams

Implementing the marketing strategy touches so many parts of the cooperative that having solid systems and organizing strong teams is the only way to do the job well. Great systems allow teams to create efficiencies—allowing them to work smarter rather than harder. And it's a strong sense of both empowerment and accountability that organizes relationships and priorities in the co-op.

At its simplest, cooperative ownership is about owning a business together. And generally, cooperative business ownership is about being a great provider of goods and services and being a great employer. Examining governing within this context, Dionne Pohler and her colleagues Brett Fairbairn and Murray Fulton at the University of Saskatchewan describe the concept of governance as the set of formal and informal arrangements by which power is allocated and exercised in an interdependent system.

In practical terms, cooperative governance must have a laser-sharp focus on the success of its business—this in turn depends on meeting the needs and aspirations of the cooperative's owners.

By looking to the marketing department as a model and a leader for organizing and delivering the co-op's message in dynamic and powerful ways, the buzz that will be created in the community will make the abstraction of "being in business together" a powerful force for positive community growth and change. •

Resources

Three Strategic Concepts for the Guidance of Cooperatives: Linkage, Transparency, and Cognition, by Brett Fairbairn (2003). [For a discussion of these concepts, see CG116—ed.]

Governance as Determinant of Success and Failure: What Other Co-ops Can Learn from Co-op Atlantic, by Brett Fairbairn, Murray Fulton, and Dionne Pohler (2016). [For more on Co-op Atlantic, see articles in CG182 and CG183—ed.]

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All strategic thinking and action within the co-op flows from defining owner needs and aspirations. And it is marketing that connects those organizational purposes to every aspect of the cooperative's activity.

A written board communication plan that is tied to the marketing plan allows the board to use the tools the marketing team has at its disposal to elevate the level of transparency (and trust) in dialogue with owners.

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